GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3761
ANSWERED ON:16.05.2006
PRICE OF TEA
Surendran Shri Chengara

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether tea growers have been affected due to decline in tea prices especially in Kerala;

(b) if so, the details and reasons therefor;

(c) the steps taken by the Government in this regard;

(d) whether the State Government of Kerala has put forth any package to save the tea plantation industry; and

(e) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b): The Indian tea industry, including the tea industry in Kerala, was affected by fall in prices during the last few years mainly due to the imbalance in the supply demand position. The average all India auction price in 1998 was approximately Rs.76 per kg. which went down to about Rs.56 per kg in 2003. Even though there was an improvement in average auction prices of tea during 2004, auction prices were lower during 2005. However, the auction prices of tea have shown some improvement in 2006.

(c) : A number of steps have been taken by the Government to help the Indian tea industry. These include, withdrawal of the additional duty of excise of Re.1 per kg on tea from 2005-06, sanctioning of schemes for grant of financial assistance for production of orthodox teas and assistance to R&D institutions to be financed from the Special Fund set up with the collections of additional excise duty on tea, issue of a new Tea (Distribution and Export) Control Order 2005 in order to maintain quality and retain the brand equity of Indian teas, reducing the import duty on tea bagging & packaging machinery used to improve quality and add value to Indian tea to a rate of 5%, extending subsidy for setting up of new factories for manufacture of orthodox teas by all producers, continuance of the subsidy on export of tea through ICD Amingaon in Assam and notification of the Darjeeling tea area as an Agri Export Zone.

(d): No special package for the tea plantation industry has been received from the Government of Kerala recently.

(e): Does not arise.